

**REMUNERATION COMMITTEE (‘the Committee’)
TERMS OF REFERENCE**

(Adopted by the Board of Directors of The BSS Group PLC (‘the Group’) on 21st June 2006)

1. Membership

- 1.1 Members of the Committee shall comprise all the Non-Executive Directors of the Group.
- 1.2 Only members of the Committee have the right to attend meetings of the Committee. Other individuals may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3 The Chairman of the Committee shall be a Non-Executive Director other than the Group Chairman. The current Chairman of the Committee is Mr R J Harrison.

2. Secretary

- 2.1 The Group Company Secretary shall act as Secretary to the Committee (‘the Secretary’).

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be 2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least twice a year, with additional meetings being arranged if required.

5. Minutes of the Meetings

- 5.1 Once agreed, the minutes of the Committee or an extract therefrom, shall be presented to the next full board meeting of the Group for approval.

6. Annual General Meeting

- 6.1 The Chairman of the Committee, or in his absence another member of the Committee, will attend the Annual General Meeting and if necessary, respond to any shareholder questions on the Committee’s activities.

7. Duties

- 7.1. The role of the Committee shall be to decide on all aspects of the remuneration of the Executive Directors and the Chairman including:

- i. Basic salaries
- ii. Performance related elements, including short term bonuses and Long Term Incentives
- iii. Share Options
- iv. Other benefits.

7.2 The Committee shall consult the Chief Executive in relation to matters of the remuneration of the Executive Directors, but only in an advisory capacity.

7.3 The remuneration of the Non-Executive Directors shall be a matter to be agreed between the Chairman and the Chief Executive.

7.4 No member of the Committee shall take part in any discussion regarding their own remuneration.

7.5 .The Committee will review, and retain a right of veto, on all aspects of remuneration for all Direct Reports of Executive Directors and all members of the senior management team.

7.6 The Committee will advise the Board on matters relating to the remuneration of the Group as a whole such as:

- i. Pay rises
- ii. Group-wide SAYE share schemes
- iii. Executive share options or phantom share option grants, for Executives other than main Board Directors.

8. **Reporting Responsibilities**

8.1 The Committee will annually produce a report for publication in the Annual Report and Accounts for The BSS Group PLC.

9. **Authority**

9.1 The Committee should take advice as appropriate from external advisors at the Group's expense, including (but not limited to) access to external research on market data and trends provided by an independent experienced consultant.